

## Financial Performance for Third Quarter FY 2024-25

**Mumbai, India:** JSW Steel Limited ("JSW Steel" or the "Company") today reported its financial results for the Third Quarter ended 31<sup>st</sup> December, 2024 ("Q3 FY25" or the "Quarter").

### Key Highlights for Q3 FY25

#### Consolidated Performance:

- Highest ever quarterly Crude Steel Production: 7.03\* million tonnes
- Saleable Steel Sales: 6.71\*\* million tonnes
- Revenue from Operations: ₹41,378 crores
- Operating EBITDA: ₹5,579 crores
- Net Profit after Tax: ₹719 crores
- Net Debt to Equity: 1.00x & Net Debt to EBITDA: 3.57x

\* Including 0.12 Mnt from Trial run

\*\* Including 0.01 Mnt Sales from Trial run

The global economy remains resilient, with the IMF projecting steady growth of 3.3% in 2025 compared to 3.2% in 2024. Global inflation rate is expected to decline to 4.2% in 2025 compared to 5.7% in 2024. While robust economic growth is likely to continue in the U.S. and India, other major economies like EU and Japan face mixed growth prospects. China continues to focus on fiscal and monetary initiatives to stimulate growth. However, ongoing geopolitical tensions and potential tariff escalations continue to pose uncertainty to inflation and global growth.

India's growth has experienced some moderation recently, but a recovery is expected in Q4 driven by government capex spending and improved rural consumption supported by a strong Kharif harvest and a favourable Rabi outlook. Advance estimates of India's GDP project growth at 6.4% in FY25, which indicates H2 growth accelerating to 6.7% compared to 6% in H1. Inflation is expected to ease in Q4 on improved food supplies, potentially paving the way for monetary policy easing by the RBI. Fiscal consolidation remains on track, with the government deficit continuing to improve.

In Q3 FY25, India's crude steel production rose by 3.5% YoY to 37.38mt. Steel consumption grew by 6.8% YoY to 38.46mt, witnessing some slowdown compared to the 13.6% growth in H1. A recovery in government capex is expected to aid growth in Q4, culminating in approx. 10% growth for the fiscal year. Steel imports remained elevated in Q3, even though it declined 10.8% QoQ to 2.83mt. However, for 9M FY25, imports increased 16.7% YoY to 8.21mt. Exports in Q3 grew 44% QoQ to 1.82mt, while exports for 9M FY25 fell 16.5% to 4.58mt. Consequently, India remained a net importer of steel in Q3 as well for 9M FY25. To address rising steel imports, the Director General of Trade Remedies (DGTR) has initiated trade Investigations including safeguard and anti-dumping probes which are ongoing.

## Financial Performance – Q3 FY25:

Particulars (million tonnes)	Q3 FY25		Q2 FY25	
	Crude Steel Production	Sales	Crude Steel Production	Sales
<b>Consolidated India Operations</b>	6.82*	6.54*	6.63	5.96**
JSW Steel USA Ohio	0.21	0.17	0.14	0.17
<b>JSW Steel Consolidated Operations</b>	<b>7.03</b>	<b>6.71</b>	<b>6.77</b>	<b>6.13</b>

\*Including trial run Production 0.12 Mnt and Sales 0.01 Mnt \*\*Including trial run Sales 0.03 Mnt

Consolidated Crude Steel Production for the quarter stood at 7.03 million tonnes, higher by 2% YoY and 4% QoQ. Capacity utilization at the Indian operations was 91% during the quarter. Steel Sales for the quarter stood at 6.71 million tonnes, higher by 12% YoY and 10% QoQ.

The Company registered Revenue from Operations of ₹41,378 crores and Operating EBITDA of ₹5,579 crores, with an EBITDA margin of 13.5% during the quarter. The EBITDA increased by 3% QoQ as fall in steel realisations was offset by higher volumes and lower costs primarily coking coal. The Profit after Tax for the quarter was ₹719 crores after considering an exceptional charge of ₹103 crores.

Net Debt<sup>#</sup> as of 31<sup>st</sup> December 2024 stood at ₹80,921 crores, lower by ₹1,884 crores as against 30<sup>th</sup> September 2024, on cash generated from operations and release of working capital. At the end of the Quarter, Net Gearing (Net Debt to Equity) stood at 1.00x as against 1.01x at the end of Q2 FY25, and Leverage (Net Debt to EBITDA) stood at 3.57x, as against 3.41x at the end of Q2 FY25.

## Indian Operations Performance – Q3 FY25:

Crude Steel Production at the Indian Operations for the Quarter was at 6.82 million tonnes, higher by 3% YoY as well as QoQ. Steel Sales for the quarter were 6.54 million tonnes, higher by 12% YoY and 10% QoQ. Domestic sales during the Quarter were highest ever at 5.99 million tonnes, growing 8% QoQ and 14% YoY, supported by strong Institutional and Retail sales. A better product mix resulted in sales of VASP at 3.9 Million tonnes, which increased by 9% QoQ & 12% YoY. Exports constituted 8% of sales from the Indian operations for Q3 FY25 vs. 7% of sales in Q2 FY25.

Operating EBITDA of the Indian Operations was ₹5,564 crores for the Quarter, lower by 20% YoY and higher by 1% QoQ. The EBITDA per ton was ₹8,516 per ton and margin for the Quarter was 14.1%. Profit after Tax at ₹1,091 crores for the Quarter was down by 57% YoY and increased by 31% QoQ.

## Standalone Performance – Q3 FY25:

Standalone Crude Steel Production for the Quarter was at 5.70 million tonnes, lower by 0.4% YoY and 1% QoQ. Steel Sales for the quarter were 5.59 million tonnes, higher by 7% YoY and 6% QoQ.

Standalone Revenue from Operations during the Quarter was ₹31,799 crores, lower by 5% YoY and higher by 3% QoQ.

Standalone Operating EBITDA at ₹4,397 crores for the Quarter was lower by 24% YoY and 5% QoQ. The EBITDA margin for the quarter was 13.8%. Standalone Profit after Tax of ₹1,286 crores for the quarter was down by 47% YoY and 1% QoQ.

<sup>#</sup>Effective Q3 FY25, Net Debt has been calculated including Capex Acceptances (less than one year) and excluding Lease liability in order to align with the borrowings reported in the financial statements.

## **Performance of Subsidiaries – Q3 FY25:**

### **Bhushan Power & Steel (BPSL):**

Crude Steel Production for the Quarter stood at 0.96 million tonnes and finished steel Sales were 0.88 million tonnes. Revenue from Operations and Operating EBITDA for the quarter stood at ₹5,340 crores and ₹541 crores, respectively. The EBITDA increased by 25% QoQ mainly due to higher volumes and lower coking coal prices which was partially offset by lower sales realisation. BPSL reported a Profit after Tax of ₹11 crores for the quarter.

### **JSW Steel Coated Products (Consolidated):**

During the quarter, JSW Steel Coated Products registered Production volume (GI/GL, Tin, CRCA & other saleable products) of 1.15 million tonnes and Sales volume of 1.15 million tonnes as well. Revenue from Operations for the quarter stood at ₹8,600 crores, and EBITDA was ₹496 crores. The EBITDA is higher by 45% QoQ driven by higher sales volumes and accrual of PLI Incentives of ₹73 crores for the Tinplate facility. JSW Steel Coated Products reported a Profit after Tax of ₹170 crores for the quarter.

### **JSW Steel USA Ohio:**

The EAF-based steel manufacturing facility in Ohio, USA, produced 2,31,872 net tonnes of Slabs during the quarter. Capacity utilization improved to 64% during the quarter, following a maintenance shutdown in Q2. Sales volumes for the quarter stood at 63,817 net tonnes of HRC and 1,28,394 net tonnes of Slabs. It reported an EBITDA loss of US\$ 15.58 million for the quarter, mainly due to lower sales realisation.

### **US Plate & Pipe Mill:**

The Plate & Pipe Mill based in Texas, USA produced 1,09,490 net tonnes of Plates and 11,287 net tonnes of Pipes, reporting a capacity utilization of 43% and 8%, respectively, during the quarter. Sales volumes for the quarter stood at 90,796 net tonnes of Plates and 12,210 net tonnes of Pipes. It reported an EBITDA loss of US\$ 2.29 million. EBITDA was lower QoQ due to lower sales realization as prices of plates declined during the quarter.

### **Italy Operations:**

The Italy based Rolled long products manufacturing facility produced 68,909 tonnes and sold 65,152 tonnes of rolled products during the quarter. It reported an EBITDA of Euro 1.85 million for the quarter. EBITDA was lower QoQ mainly due to lower sales volumes and decline in realisation.

## **Update on Projects:**

The Hot Strip Mill of the 5 MTPA project at Vijayanagar, set up by wholly owned subsidiary, JSW Vijayanagar Metallica Ltd. (JVML), was commissioned in March 2024. Subsequently, the Raw Material Handling System, Sinter Plant and the Blast Furnace were commissioned in Q2 FY25. One of the two Casters and Converters at SMS unit have started operations during Q3 FY25. The second Caster has also started in January 2025. We expect ramp-up of the expansion project during Q4 FY25.

The colour coated line of 0.12 MTPA in Jammu & Kashmir under JSW Steel Coated Products Ltd. started operating during Q3 FY25 and is under trial-run.

The 30 MTPA slurry pipeline in Odisha is also progressing well, with commissioning expected in FY27.

The Company's consolidated capex spend during Q3 FY25 was ₹3,087 crores, and the total spend for 9M was ₹10,937 crores.

## **Awards:**

JSW Steel has been included in the DJSI World and Emerging Markets Indices for the second consecutive year, and ranked among the top 2 global steelmakers in the S&P Global Corporate Sustainability Assessment 2024.

The Company also received the National Sustainability Award 2023-24 for Large Integrated Steel Plants from the Indian Institute of Metals.

## **Outlook:**

Global economic growth remains steady, with the IMF forecasting 3.3% growth for 2025 compared to 3.2% for 2024. However, growth prospects are uneven, with the robust US economy partly offset by weakness in several other economies. While global inflation is moderating, price pressures persist in certain sectors, particularly services, in the US and Europe. Potential tariff escalations and ongoing geopolitical tensions pose risks to inflation and global growth.

In the US, robust growth continues with labour markets cooling gradually. Supportive fiscal policy such as increased investments in domestic manufacturing and tax cuts could further accelerate near-term growth. However, following 100 bps of rate cuts between September and December 2024, the Fed is expected to moderate the pace of monetary easing. Potential tariff increases could disrupt the ongoing decline in inflation.

China GDP growth picked up in Q4 2024 with improved trend in consumption and manufacturing post the stimulus announcements in end-September 2024. The Property sector continues to contract although some early and tentative signs of stabilisation are emerging, aided by targeted policy interventions. Looking ahead to 2025, fiscal and monetary stimulus is expected to continue as the government prioritizes economic recovery and structural reforms.

In Europe, growth remains subdued, with Germany trailing other major Euro Area economies. While manufacturing and exports continue to struggle, consumption is showing early signs of recovery, supported by improvements in real incomes. Modest growth is anticipated in 2025, though it is expected to remain below pre-pandemic trends. Ongoing rate cuts are likely to support the gradual recovery, but policy and political uncertainties continue to weigh on sentiment and economic prospects.

In Japan, a modest economic recovery was experienced in the second half of 2024, with momentum expected to strengthen in 2025 as manufacturing activity approaches stabilization. Greater conviction about inflation attaining target levels is likely to prompt rate hikes in 2025, signalling a shift towards normalisation of monetary policy.

The Indian economy has experienced some moderation in growth, with advance estimates by India's NSO projecting GDP growth of 6.4% for FY25. However, growth momentum is expected to pick up in Q4 FY25, supported by a recovery in government capital expenditure. Rural consumption prospects remain strong, driven by a robust Kharif harvest and a positive Rabi outlook. Urban consumption faced some headwinds this year due to slower bank credit growth and elevated food inflation. Inflation is anticipated to ease in the coming months with improved food supplies, creating room for the RBI to begin monetary policy

easing. In the auto sector, passenger and commercial vehicle markets have experienced a relatively modest trend this year while two-wheelers and tractors have seen a better traction; outlook for both these segments is healthy, buoyed by strong rural demand. Fiscal consolidation continues to progress, with the government deficit continuing to improve.

## **About JSW Steel:**

- JSW Steel is the flagship business of the diversified, US\$ 24 billion JSW Group. As one of India's leading business houses, JSW Group also has interests in energy, infrastructure, cement, paints, realty, e-platforms, mobility, defence, sports, and venture capital.
- Over the last three decades, JSW Steel has grown from a single manufacturing unit to become India's leading integrated steel company with consolidated crude steel capacity of 35.7 MTPA including 1.5 MTPA in US. Domestic crude steel capacity stands at 34.2 MTPA including 5 MTPA under commissioning. Its next phase of growth will take consolidated capacity to 43.5 MTPA over next three years. The Company's plant in Vijayanagar, Karnataka is the largest single-location steel-producing facility in India with current capacity of 17.5 MTPA (including 5 MTPA under commissioning).
- JSW Steel has always been at the forefront of research and innovation. It has a strategic collaboration with JFE Steel of Japan, enabling JSW to access new and state-of-the-art technologies to produce and offer high-value special steel products to its customers. These products are extensively used across industries and applications including construction, infrastructure, automobile, electrical applications, and appliances.
- JSW Steel is widely recognized for its excellence in business and sustainability practices. Some of these recognitions include World Steel Association's Steel Sustainability Champion (consecutively from 2019 to 2024), Leadership Rating (A-) in CDP climate change disclosure and A in CDP Water Disclosure (2023), Deming Prize for TQM for its facilities at Vijayanagar (2018), and Salem (2019). It is part of the Dow Jones World and Emerging Markets Sustainability Indices (DJSI), and included in S&P Global's Sustainability Yearbook (consecutively from 2020 to 2024).
- JSW Steel's SEED project has been awarded the Energy Transition Changemakers recognition at COP28.
- JSW Steel is ranked 8th among the top 35 world-class steelmakers, according to the 'World-Class Steelmaker Rankings' by World Steel Dynamics (WSD), based on a variety of factors.
- As a responsible corporate citizen, JSW Steel's CO<sub>2</sub> emission reduction goals are aligned with India's Climate Change commitments under the Paris Accord.
- JSW Steel aims to reduce its CO<sub>2</sub> emissions by 42% from its steel-making operations by 2030 and has committed to achieve net neutral in carbon emission for all operations under its direct control by 2050.
- JSW Steel aims to lead the energy transition by powering steel-making operations entirely by renewable energy by 2030.
- Other sustainability targets include achieving no net-loss in biodiversity at the operating sites by 2030, substantially improving air quality, reducing water consumption in all operations and maintaining Zero Liquid Discharge.
- JSW Steel has emerged as an organisation with a strong work culture foundation. It is certified by Great Places to Work (2021, 2022 and 2023) as well as ranked as one of the Best Employers among Nation Builders (2023 and 2024) and one of India's best workplaces in Health & Wellness (2023).

**Forward Looking and Cautionary Statements:**

*Certain statements in this release concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Steel Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for steel, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which – has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.*

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